



**Our Business Is Your Success**

# Financial Services

# Virginia Small Business Financing Authority



[WWW.DBA.STATE.VA.US](http://WWW.DBA.STATE.VA.US)  
1-866-248-8814 (toll free)



**Office of the Governor**

**Secretary of Commerce and Trade**

**Virginia Department of Business  
Assistance**

**Financial Services Division**

**Virginia Small Business Financing  
Authority**



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# Virginia Small Business Financing Authority

## Mission Statement

To promote Virginia businesses by increasing access to capital through the creative application of public and private financing, thereby maximizing employment opportunities and investment throughout the Commonwealth.



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# **VSBFBA's Programs are designed to:**

- **Meet the financing needs of small businesses in Virginia which are not being met by the private sector or other public sector programs**
- **Promote the growth of Virginia companies**
- **Increase employment opportunities**



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# VSBFPA Programs are not designed to:

- Provide “free” money (grants)
- Eliminate the need for collateral or personal guaranties by the principals
- Be a primary or sole lender in a project
- Compensate for a fundamental business weakness



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# Who meets VSBFA's criteria as a small business?

A Virginia company must meet at least one of the following criteria:

- Fewer than 250 employees **in Virginia**
- Less than \$10 million in annual gross revenues over each of the past three years
- Net worth of less than \$2 million



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# VSBAFA Programs and Services

- Loan Guaranty Program
- Virginia Capital Access Program
- Virginia Economic Development Revolving Loan
- Child Day Care Financing Program
- Environmental Compliance Assistance Fund
- Industrial Development Revenue Bond/Umbrella Bond Program
- Capital Resources Directory



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# Loan Guaranty Program

- Provides a 75% guaranty, up to \$300,000, whichever is less, of a line of credit or loan (up to three years) extended by a bank
- Used for working capital and other short-term financing needs
- Minimal paperwork in comparison with other government guaranty programs
- 1.5% guaranty fee



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# Virginia Capital Access Program

- Provides up to 100% loss protection to participating bank through a special loan loss reserve fund, which bank can utilize to offset loan losses on enrolled loans
- No VSBFA involvement in loan enrollment or credit approval
- Flexible loan terms and uses
- One-page enrollment form
- Maximum enrollment of \$250,000 per borrower



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# Child Day Care Financing Program

- Micro-loans to “regulated” child care providers for quality enhancements or to meet or maintain child care requirements
- Loans up to \$5,000 for Family Home Providers
- Loans up to \$50,000 for Child Day Centers
- Low interest rate and favorable repayment terms



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# Economic Development Revolving Loan Fund

- Purchase of long-term fixed assets such as R/E, machinery and equipment
- Direct loans up to \$1,000,000
- Can be up to 40% of the project
- Requires at least 10% cash equity from the borrower
- Available to IDAs, businesses and individuals engaged in technology, biotechnology, tourism, manufacturing, basic industry, and agribusiness



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## *Recent Results*

**FISCAL YEAR 2002      FISCAL YEAR 2003 YTD**

- \$26 million
- 181 businesses
- 997 jobs created
- 545 jobs saved
- 840 child care spaces

- \$56 million
- 133 businesses
- 1,536 jobs created
- 401 jobs saved
- 852 child care spaces



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